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Hiester, B.U.

Live and let live

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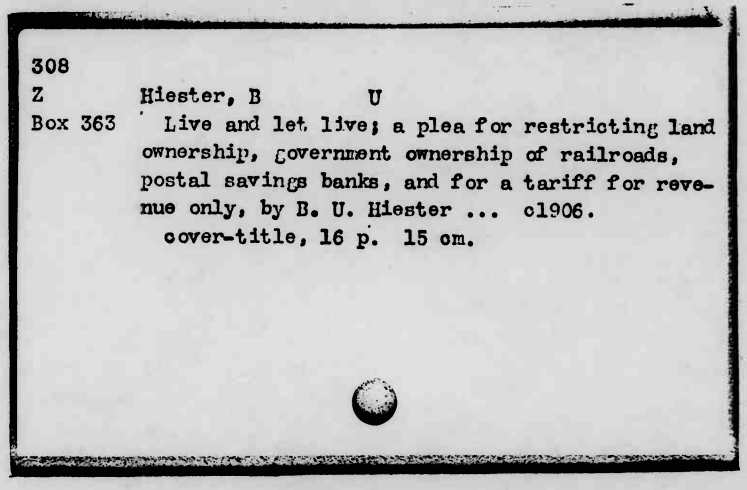
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LIVE AND LET LIVE

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A PLEA

For Restricting Land Ownership, Government Ownership of Railroads, Postal Savings Banks, and for a Tariff for Revenue Only

By B. U. HIESTER
~~GRAND RIDGE, ILLINOIS~~
915 Illinois Ave.,
Ottawa, Ill.

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UNEMPLOYMENT.

Editor Ottawa News:

The question of caring for the unemployed and destitute is becoming more grave every day. The funds of existing relief agencies are becoming rapidly exhausted and the problem of replenishing them is growing more and more difficult. The problem has become too great to be handled by local communities or even the states and everybody is now demanding that the federal government find some remedy. Something must be done before another winter or there will be widespread suffering on the part of many and greatly increased crime and anarchy.

Of course those who are destitute and unable to work as well as children and women who have children to care for will have to be cared for. They should be fed and clothed and provided with shelter and fuel but for all who are able to work and earn a living for themselves and their families it is imperitive that they should be given some kind of employment. This employment should be of such a nature as will yield a ready return in money or assist in providing the food, clothing and other necessities for their own and the relief of others.

Land should be acqquired in various parts of the country and an army of these people set to work on each tract of land building community centers for the comfortable housing of these people. There should be large buildings like army barricks for the unmarried and apartment houses and cottages for families. There should be barns for dairy herds, poultry houses and good shops in each such community center. When possible these community centers should be located in proximity to some great mineral, oil or gas resource or some factory so that those who lived in these community centers could find employment working for private enterprises or if private enterprises failed to give employment the government should operate factories or mines to give the people employment.

Our object would not be to give any unfair competition to private enterprise but more to give employment where private enterprise failed. It would be our object to make these community centers and industrial enterprises entirely self-suporting. We would charge a reasonable price to those who lived in them and pay only a living wage for labor performed leaving everyone free to work either for government or private enterprise. At the same time we would encourage all who lived in these community centers to study better methods of agriculture and horticulture, dairying, care of poultry, shop work, brick laying, plumbing and carpenter work. We would make this educational feature so prominent a part of the work that many would be glad to spend a few years in these community centers in order to better fit themselves for some private enterprise.

B. U. HIESTER.

RESTRICTING LAND OWNERSHIP.

One great blot on civilization in all ages of the world and in almost every nation has been monopoly in land and in those natural resources which are connected with it, such as natural forests, minerals, oil, gas, etc. By it a few people are enabled to live in luxury and idleness upon the toil of the masses. God never intended that a few people should own the whole world and be permitted to charge the rest for the privilege of living upon it. Every person born into the world has a right to live in it, and that right implies the right to the use of a certain portion of the earth's surface as well as to those things which nature has placed upon it or beneath its surface. These things are not the product of any man's labor, but are the free gift of God or nature to all mankind. If we have a right to control or prevent monopoly in any thing, we certainly have a right to do so in these, for they are the very foundation of all wealth. But how are we to do it?

The simplest, most effective and most just way to prevent monopoly in land would be by a graduated tax on pure land values exclusive of all improvements. Under such a system land ownership could be restricted to any degree that might be thought advisable according as the scale of taxation would ascend more or less rapidly or the unit of valuation* might

*By unit of valuation is meant the amount that constitutes each separate block or section in the assessment. Thus, in the scale chosen one thousand dollars constitutes a unit of valuation.

INTENTIONAL SECOND EXPOSURE

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RPE Mar. 13 1923

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be increased or decreased. For the sake of illustrating the working of such a law we will choose a scale placing a tax of fifty cents on the first thousand dollars' worth of pure land value exclusive of all improvements owned by one person or corporation, one dollar on the second thousand dollars' worth of pure land value, one dollar and fifty cents on the third thousand dollars' worth, and so on. On this plan it will be seen that by the time a landed estate reached a valuation of twenty thousand dollars, pure land value, the tax on the last thousand dollars' worth of such an estate would reach one per cent. of this last thousand dollars' worth or unit of valuation; and on any landed estate above twenty thousand dollars' valuation the tax would be above one per cent. on all values exceeding twenty thousand dollars. We believe that when the tax reached one per cent. or more of the value of such part of the estate that the owner would seek to invest his money in something else, and that therefore landed estates for most purposes would be practically limited to about twenty thousand dollars' valuation. We would, however, continue the graduated scale of taxation until it would reach two per cent. of any additional valuation, when we would make it uniform at that rate for any additional amount that might be held in one estate. This we would consider advisable because there are some business enterprises, the nature of which require that they should have very much more than twenty thousand dollars' worth of land value. Such enterprises would be taxed out of existence altogether, were the graduated feature of the tax to continue ad infinitum. These enterprises are essential to the times in which we live and, at least for a time, must remain as private enterprises; therefore we must permit them to remain, but the two per cent. tax on the excess of land value which it would be permitted for them to hold would be only a just and reasonable rent which they should pay to the people as a whole for the privilege of using this land.

If a person used land for agricultural purposes or any other surface use and paid tax on its value for such purposes only, we would not recognize in him any title to mineral, oil, or gas resources that might be connected with it. The fact that a person owned and paid taxes on land for such uses should not prevent any one else from going onto the land and prospecting for or developing these other resources, provided they first paid the owner of the surface of the land such damages as might be caused to it for the purpose for which it was being used. No person should have the right to lock these resources up and keep them from the rest of mankind. All such idle resources should be free to be worked by any one who would occupy them and pay the tax on so much of them as he might be able to work.

Timber being in the nature of a growing crop, it should always belong to the owner of the surface of the land. Special laws would be necessary to protect and preserve our natural forests so far as they remain and to encourage the planting and cultivation of more timber.

The graduated tax on land values, by making it unprofitable for any one to hold more than a certain amount of land, would compel those who now have large amounts to sell off the unprofitable surplus. On account of the very light tax on the smaller estates, it would not cause any depreciation in the value of land. Those who had more than they could profitably hold under such a law would be able to get the full value of their land on the basis of what it was worth when such a law would go into effect. They would have to divide their surplus land and sell it out in quantities to suit the purchasers and their ability to pay for it. Some would buy a few hundred dollars' worth, some one or two thousand dollars' worth, and so on up to the limit of profitable holding.

Such a system would furnish a wholesome restraint against the holding of vacant city lots or any other idle land for speculative purposes. In the rural districts it would build up an innumerable number of smaller homes among the larger farms, the occupants of which would engage in truck farming, poultry and bee raising, and furnish necessary labor for public and private enterprises. Such a law would contribute to a higher standard of agriculture, not only because it would be an inducement for people to make the best possible use of what land they might have rather than to buy more, but because it would have a tendency to throw the ownership of the land into the hands of those who lived on it and worked it. This would give them more interest in the land and enable them to make desired improvements and the better

to maintain the fertility of the soil by rotation of crops and the application of fertilizers. Land owners would devote their incomes to improving their lands with better buildings and fences and more thorough drainage rather than to buy large areas of land.

Restricting land ownership by a graduated tax would not absolutely give any to those who had none. The land would still have to be bought, but this would have the advantage that it would tend to throw it into the hands of those who would most appreciate it and make the best possible use of it. Even those who could not buy would be benefited by such a measure. It would raise the standard of wages and increase the opportunity for employment by drawing off many from the ranks of the wage-earner to engage in agricultural pursuits or some other enterprise and perhaps become employers of labor themselves.

The building up of an innumerable number of small homes among the larger farms would create a demand for labor and furnish a market for vast quantities of building material; and the support of the families that would occupy them would require untold quantities of household goods, fuel, clothing, shoes, etc., the furnishing of which would greatly stimulate almost every branch of industry.

The filling up of the country with these smaller homes would make possible many comforts which the country districts cannot now afford. It would greatly assist in the making of better roads, help to maintain our rural mail routes, make it possible to

operate interurban car lines and telephone lines with much greater economy, and no doubt in many instances would give to the country districts electricity for lighting and power purposes.

THE INFLUENCE OF THE HOMESTEAD LAW.

A careful study of the influences which followed as a result of the passage of our homestead law should convince any one of the great benefits to be derived from giving the people easy access to the land. This law was the outgrowth of a long struggle which had existed from the very beginning of our independence, for laws that would place the public lands within the reach of the common people. Those who represented the people in Congress in the early days of the Republic, much like those of the present day, were mostly from among the more wealthy class. Some of them were of English birth and most of them were of English ancestry, with the English idea of a landed aristocracy born and bred in them. The Southern planter carried this idea to its perfection, while the New England members of these early Congresses, guided more by self-interest than by a desire for the best interests of the people, opposed such legislation as would make the public lands easily accessible to the people, openly avowing that such a course would depopulate the New England states.

The first policy of the government was to sell these lands only by townships. But, as we have already

stated, there were always those who advocated its sale in small tracts to suit actual settlers; and they from time to time succeeded in getting the size of the tracts reduced, each step in that direction being marked by a more rapid increase in the settling up of new lands and in a better condition of the people. Finally in 1862 our present homestead law was enacted. It was the first of our laws which actually gave to the people the public lands on condition of settlement. Although we were then engaged in a terrible struggle between two sections of the country, how quickly did we rise from the ashes of war when peace was declared, and with what rapid strides did the development of the country go forward. It was not only the agricultural resources that were developed, but railroads were built and extended in every direction; mines were opened, factories sprang up on every hand and wages steadily increased. These things continued until all our desirable public lands had fallen into the hands of private parties and there was no longer any public land to be had by the poor except in remote and out-of-the-way places.

This law was well suited to the times in which it was enacted; it was well suited to a nation with millions of acres of unsettled public land; it was far in advance of any policy ever adopted by any other government, and it is an honor to those who originated it and secured its passage. It served the purpose well for which it was enacted and showed the great advantage of giving the people easy access to the land; but under the conditions of the present time its power for good is very limited.

It is true that some good is being done by the part the federal government is taking in developing irrigation districts in some of the western states. These efforts are commendable, but they will never reach the people that would be reached by a law such as we have proposed, for, with many of them, it is wholly impracticable to cross the continent with their families and take advantage of these opportunities. Should they attempt to do so these districts would soon be filled to overflowing and we would again be at the end of our string.

We often read with interest about the work the Salvation Army and other benevolent societies are doing in helping the worthy poor of the cities to obtain homes in the country by establishing colonies for that purpose. The graduated tax on land values would accomplish much more in this direction than any benevolent society could possibly do and in a much simpler manner.

It would check the spirit of avarice and elevate the morals of the people. It would avert much pauperism and crime. Many people under present conditions find times when they either have to accept charity or commit crime to keep from starving or being briven from their homes and each time they do so it becomes easier for them, and becomes more and more of a habit. Many young men in the rural districts, unable to get land to cultivate, even as tenants or to find a home in the country, go to the city to seek employment. Here they meet with all sorts of evil, hard luck, and temptations which

quickly sends many of them on the down road to ruin. Were it easier for them to get a footing in the country we believe that the greater part of them would remain on the land, marry and establish comfortable homes.

We do not advocate the graduated tax on land and other natural resources as an only source for raising revenue. Its prime object would be to govern the amount of land or other natural resource that one person could acquire a title to, and thereby give others a chance. We could not know until it had been tried just how much revenue such a measure would yield, but we believe that under the scale suggested land would bear about the same proportion of the burden of taxation that it now does. Whatever it might be, it could be divided between local, state or national authorities or supplemented by any other tax that was thought proper.

GOVERNMENT OWNERSHIP OF RAILROADS.

After the graduated tax on land values and other natural resources the next most necessary thing to advance the prosperity of the people is government ownership of railroads. It is almost universally admitted that our present railroad service is costing the people entirely too much money and is very unfair towards the people in the matter of discriminations. It is a general custom in all private business for people to get as much as they can for their services or what they have to sell, and those who own railroads

feel that they have as much right to do business on this principle as those engaged in other lines of business; so their policy is to charge all the traffic will bear.

We have read about where a certain railroad hauls manure from Chicago to points in Southern Illinois, a distance of 200 miles, for $5 a carload, and we suppose they can afford to do so or they would not do it; yet we are charged $20 for taking a car-load of live stock or grain to Chicago or bringing a load of lumber from there, a distance of 90 miles. They charge us $20 for bringing a car-load of stone from Naperville or Joliet to our home town, a distance of about 60 miles; or $15 for carrying a car-load of brick a distance of 10 miles. They charge more than twice as much for hauling a car-load of stone 60 miles than the men who quarry the stone and load it onto the cars get for it.

If the freight on stone and other building material was as low as the railroad mentioned hauls the manure for, what a stimulant it would be to build and to how many would it give employment to produce this material, and what comfort and profit it would bring to those who would enjoy the advantage of cheaper building material. Could we get freight rates on material for building hard roads as reasonable as this road hauls the manure, it would greatly facilitate the building of such roads in many parts of the country.

We have been trying for years to correct by law some of the abuses of the railroads, but with little results. Now it is proposed to give the Interstate Commerce Commission power to fix rates. This we consider very impracticable; for, should they make a uniform scale of rates for all roads, it would have to be high enough to permit those roads with the least favorable conditions a fair and reasonable profit, and such a rate would be no restraint at all to the more favored roads and especially to our great trunk lines. To fix just and reasonable rates on each class of freight and suited to the conditions of each separate road would require men with a thorough knowledge of every detail of the business in each particular case. It would require an army of government officials skilled in all the details of railroad business almost as numerous as the employees of the railroad companies themselves; and all this merely to watch the railroads. If we could get men competent to do all this work and men that would be fair to both the railroads and the public, would they not be competent to manage the railroads in the interests of the people, and could we not trust them? How much simpler the whole thing would be where they had the actual transaction of the business in their own hands as a guide.

With private ownership and government watching and fixing of rates there would be constant litigation between the railroads and the government officials or the patrons of the roads, which would cost untold millions of dollars.

The people have just as good a right to go into the railroad business through their representative, the

government, as any private concern has, and we believe it is the only practical solution of the railroad question. We would not attempt to take over all the railroads of the country at once and place them under government control, but would buy out existing lines or build new ones where the need was most urgent, permitting private corporations to continue to occupy the field where they would furnish the service as cheaply and as satisfactorily as it was believed could be done by the government.

The government should aim to run these railroads on purely business principles. The charges should be such as would cover running expenses, pay interest on the original cost, and provide a moderate sinking fund that would in time cancel the first cost of the roads.

POSTAL SAVINGS BANKS.

When we talk about government ownership of railroads people will begin to say: "Where are you going to get the money with which to build these railroads?" Now we admit it is a very important question. We believe that much of the prejudice against government ownership is due to the fact that so many who have advocated it have coupled it with some unsound scheme for raising funds with which to buy out existing systems or build new ones. Any plan that is not built up on a sound financial basis would soon prove a failure. We should not attempt to meet these

expenses by the issuing of large quantities of paper money and especially with no promise to redeem in the standard money of the country.

We can, however, with perfect safety borrow the money and borrow it from the people through the medium of a postal savings bank. This would not only provide the means for building or buying the railroads, but it would provide a safe means of caring for the savings of the people and enable them to secure a low rate of interest on their savings. It would thus encourage economy and thrift on the part of the people.

THE TARIFF QUESTION.

Under the title we have chosen we feel impelled to say a few words on the tariff question. The advocates of what they call protection want to live, but they are not willing to let live. We believe that this so-called protective policy is unjust in principle and unwise in practice. It is a dangerous and bad principle to delegate to Congress the right to build up one industry at the expense of another. If any industry is really unprofitable and cannot be maintained without such aid it is unwise and unbusinesslike to foster it in this way. We had better buy the things which these industries would produce from such foreign countries as can produce them more cheaply than we can, and direct our efforts towards producing that which we can produce profitably without such aid.

Many people seem to have the idea that all our

manufacturing industries and some others have been built up by this "protective" principle, and that had it not been for it we would still be in a semi-civilized condition and located in a howling wilderness. They forget that in colonial times, without even the advantage incidental to a tariff for revenue only, the people were willing and anxious to manufacture many articles, and how the mother country tried to prevent them from doing so. After the close of the Revolutionary war and the adoption of the constitution manufacturers prospered under a tariff that averaged only 15 per cent. In the early part of the last century they prospered under a tariff which averaged only 25 per cent. Of course they were not the full grown giant corporations of the present day, but they were healthy, active, growing industries. Now these full-grown industries demand the advantage of a tariff that averages 60 per cent. on the cost of the goods.

We believe that the development of manufacturing interests has never in any way been dependent upon favors from the government, but that it always has been and still is incidental to the development of the country. We believe that our great industrial progress which the advocates of "protection" claim as the result of its influence has been due to the abundance of our great natural resources; and especially since the close of the war of the Rebellion to the influence of the Homestead law, which gave the people better access to the land than they had had before. We believe that our progress would have been even greater had we always adhered strictly to the policy of a tariff for revenue only.

Our present high tariff is directly responsible for the existence of many of our worst trusts. Give us the graduated tax on land values, government ownership of railroads, and a tariff for revenue only and we will have little cause for complaint on account of trusts and monopolies. Our tariff policy is also directly responsible for the destruction of our natural forests, the evil consequences of which we are yet to feel most keenly.

The beneficiaries of protection tell us first that the tariff makes high wages. Then they turn around and tell us they must have such "protection" because wages are high. If "protection" makes high wages and adds no burden to consumers, then why don't they put the tariff up so as to give the laboring man all he asks for? If a high tariff makes good times and high prices for the products of the farm, why don't they give us farmers a dollar a bushel for corn? What is the use of stopping at 40 or 50 cents? The fact is "protection" never has added one penny to the general average of wages. To raise the price of everything that the laborer works with or to raise the price of material which enters into the construction of things on which the laborer is employed can have but one effect, and that is to restrict production, lessen the demand for labor and lower wages.

Free and unrestricted commercial intercourse between nations binds them together in friendship and lessens the danger of war, while the constant teasing of one another with their tariff sticks disturbs their otherwise peaceful relations. "Reciprocity" is the

biggest humbug of the age. It is only an excuse for maintaining a high tariff. With a Senate many of the members of which are interested in highly protected industries, there is not much chance of their ratifying any treaties that do not give them everything. Had we the most perfect reciprocal trade treaties that could be made established with every nation upon the face of the globe, we would still have no advantage that we might not have under the lowest tariff possible consistent with needed revenue. It is true that other nations might not always reciprocate with a low tariff on what we would like to sell to them, but we believe with no cause for complaint towards us they would be disposed to pursue a liberal policy. Should they not do so they would be hurting themselves a great deal more than us, and it would not pay us to begin a policy of retaliation, thereby adding a burden to our own people who would buy goods from them. Let us make our own tariff schedules and leave other nations make theirs.

Voice of the People

OPPOSED TO FEDERAL PROSPERITY BOND ISSUE.

Editor Ottawa News:

We are not in favor of the proposed five billion dollar federal bond issue to be used in an effort to end the depression. We do not believe it can be done in the manner suggested but would only get us deeper into the mire. As pointed out by Mr. Hoover a few days ago, we have already during the past two years expended more than two billions of dollars in public construction work in an effort to relieve the unemployment situation and it has brought but little relief. What we now need is some plan that will cost but little money and be self-sustaining from the start.

When Joseph bought up the surplus wheat in Egypt 3,700 years ago, he did not ask for a bond issue with which to finance the project. He started building storehouses at once and began buying wheat. No doubt wheat was very cheap and so was labor. He probably paid the laborers largely with wheat. He no doubt exchanged wheat for other commodities with those who came into Egypt to trade. He sold these other commodities to the Egyptian people, made good profits on the transactions and everybody was happy and contented.

In a similar manner our government today, with a moderate outlay of funds could begin building storehouses and grain elevators and began trading in certain commodities of a non-perishable nature, both agricultural and others.

In buying these commodities we would pay for them by an issue of paper money never greater in volume at any time than the value of such commodities held in store in government owned warehouses and grain elevators. Such a plan would provide an abundance of currency with which to conveniently transacted the business of the country. It would be a perfectly sound currency because it would be based on the value of the commodities and their value would be measured by the standard money of the country. Commodities could be exchanged at any time for either gold or silver if these metals were needed.

In undertaking such a government enterprise we would not interfere with private enterprise except as a lawful competitor. If government enterprice can render any service to the people more efficiently than private enterprise, why not government enterprise? but if private enterprise can do the job better, then we are for private enterprise. Private enterprise must always earn interest on money invested in commodities while being marketed or stored. All these interest charges constitute a very large proportion of the cost of marketing. Under our plan of issuing money to represent the value of commodities while they are being marketed, or stored all such interest charges would be eliminated. Also we believe this plan would be the best solution of the agricultural marketing problem. It would effect a saving both in the marketing of the farmers products as well as in many things which he has to buy.

B. U. HIESTER.

Thursday, May 26, 1932.

INTENTIONAL SECOND EXPOSURE

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In a similar manner our government today, with a moderate outlay of funds could begin building storehouses and grain elevators and began trading in certain commodities of a non-perishable nature, both agricultural and others.

In buying these commodities we would pay for them by an issue of paper money never greater in volume at any time than the value of such commodities held in store in government owned warehouses and grain elevators. Such a plan would provide an abundance of currency with which to conveniently transacted the business of the country. It would be a perfectly sound currency because it would be based on the value of the commodities and their value would be measured by the standard money of the country. Commodities could be exchanged at any time for either gold or silver if these metals were needed.

In undertaking such a government enterprise we would not interfere with private enterprise except as a lawful competitor. If government enterprice can render any service to the people more efficiently than private enterprise, why not government enterprise? but if private enterprise can do the job better, then we are for private enterprise. Private enterprise must always earn interest on money invested in commodities while being marketed or stored. All these interest charges constitute a very large proportion of the cost of marketing. Under our plan of issuing money to represent the value of commodities while they are being marketed, or stored all such interest charges would be eliminated. Also we believe this plan would be the best solution of the agricultural marketing problem. It would effect a saving both in the marketing of the farmers products as well as in many things which he has to buy.

B. U. HIESTER.

Thursday, May 26, 1932.

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END OF
TITLE